1948

FEDERAL CROP INSURANCE on CORN

(Yield and Investment Insurance)

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Corn producers in designated counties have a choice of two types of Federal crop insurance protection on their 1948 corn crops -- investment or yield insurance. Coverage is higher under yield insurance, while investment insurance costs less. Both are annual contracts.

Federal crop insurance provides protection against loss of production costs due to unavoidable causes including:

Drought	Rain
Hail	Wind
Frost	Flood

Plant Diseases
Insect Infestation

It does not insure against loss from avoidable causes such as neglect, poor farming practices, domestic animals or breakdown of machinery.

A Federal crop insurance premium buys protection against the major production risks from planting through harvest. This protection against the production hazards which man cannot control adds only a small amount to operating costs and the premiums are deductible as operating costs for income tax purposes.

U.S. Federal Crop Insurance Corporation.

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U. S. DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

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CORN CROP INSURANCE

Present legislation permits crop insurance on corn to be offered in 50 counties. However, only corn on land for which the Federal Crop Insurance Corporation has established coverages and premium rates can be insured.

Crop insurance is a farmers' program -- with each insured paying a small amount for protection against unavoidable production risks so that none among them may suffer a disastrous loss. It affords farmers the machinery for providing basic insurance protection for their business -- growing crops.

Crop insurance premiums are used ONLY to pay losses to insured producers. Administrative costs are carried by the Federal Government as a service to farmers. Premiums collected in excess of losses paid can be used only to accumulate a reserve for use in years when losses exceed premiums. Accumulation of an adequate reserve will make possible reductions in premium rates. Since losses paid are the major factor in determining proper changes in premium rates it is in the policyholder's interest to assist in eliminating any undue risks from the program. Lax adjustments or insuring bad risks would be improper use of farmers' premiums.

Full information is available through the county office on the coverages and premiums for each insurance unit.

PREMIUM REDUCTIONS

Producers who pay their premiums in full on or before the closing date for accepting applications -- April 30 -- are allowed a 5% reduction in their premium.

There is also a reduction of 2% for each 50 acres of insured corn above the first 50 acres on an insurance unit up to a maximum reduction of 20%.

COVERAGE PER ACRE

Coverages and premium rates per acre are established by the Corporation for all insurable acreage in the county.

Under the yield insurance plan, coverage is expressed in bushels of corn per acre and the premium rate in dollars per acre. Both coverage and premium are expressed in dollars per acre under the investment plan.

Maximum protection under either plan is on harvested acreage because full production costs have been incurred. Protection on unharvested acreage is adjusted to reflect lower production costs.

If acreage is released for planting a substitute crop, a minimum charge of 50% of the coverage for this acreage is made against the total coverage. On other unharvested acreage a minimum charge of 15% of the coverage for this acreage is made against the total coverage. Whenever the production appraised by the adjuster exceeds the minimum charge, the actual appraisal is, of course, used.

DETERMINING LOSSES

Under the yield plan, the indemnity due a producer will be the amount by which the production for the insured acreage on the insurance unit falls short of the insured coverage. The cash amount of the indemnity will be determined by using the 1947 county loan rate.

Under the investment plan, the indemnity due a producer will be the amount by which the value computed for the production of the insured acreage on the insurance unit falls short of the insured coverage. In determining losses production will be valued at the price that is highest of the local market price, actual sale price received by the producer or the 1948 county loan rate. However, production below loan quality standards will be valued at its local market value.

Under either plan production on the insurance unit includes (1) any corn harvested and (2) any production charged against coverage for acreage released, for unharvested acreage and for corn lost from causes not insured against.

OTHER CONTRACT PROVISIONS

It is an annual contract -- for one year only.

The insurance period begins when the corn is planted and ends with harvest or December 10 whichever is earlier.

If your corn crop is destroyed while there is still time to replant you are expected to replant. If this acreage is not replanted it will not be insured.

Insured acreage destroyed or substantially destroyed may be released by the Corporation for other use, BUT no acreage may be put to another use unless a release in writing has been obtained from the Corporation. Arrangements must be made for appraisal of production before corn is used for silage or fodder purposes if there is any likelihood of a loss.

An assignment against the insurance contract may be made as collateral for a loan or debt.

> A producer may insure less than the total acreage of corn in an insurance unit by designating on his application the number of acres to be insured. A loss of an insurance unit where only a part of the acreage is insured will be reduced to the proportionate share for the insured acreage.

WHAT YOU DO

File an application before the closing date, April 30.

Notify the county office on or before June 30 if acreage planted is less than the acreage listed for the insurance unit on your application.

Plant, care for and harvest the crop in accordance with good farming practices.

Report immediately to the county office any material damage to the crop if you feel a loss under the insurance contract may result. Any loss under the contract <u>must be reported</u> within 15 days after harvest.

Pay your premium..... take advantage of the 5% discount feature..... avoid penalty interest.